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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 02481-86
20 May 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM:

[Redacted]
Acting National Intelligence Officer for Economics

25X1

SUBJECT: Results of 19 May EPC

The EPC on 19 May agreed to a modest package to help the domestic oil and gas industry. Among the items:

- Allowing "marginal" producers on Federal lands to temporarily shut in production--a change recently adopted for stripper wells.
- Allowing transfer of the depletion with sale of a resources (estimated 5-year cost \$19 million).

Baker stated that he wanted a package announced soon including the above items, already agreed moves such as natural gas deregulation, and the promise of more action in the future.

- The group also agreed tentatively to increase the depletion limit from 50 percent to 100 percent for marginal producers but decided to wait on an announcement so that the cost (\$160 million) would not interfere with the budget debate.

In all, the items are more package than substance. None carries a high price tag, and the balance of the package will be composed of already agreed and announced measures.

No decision was reached on making new additions to the Strategic Petroleum Reserve.

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

SUBJECT: Result of the 19 May EPC

NIC/A/NIO/ECON:

20 May 1986

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